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SUBJECT: CARICOM HEADS OF GOVERNMENT MEETING: HALTING
PROGRESS ON REGIONAL PRIORITIES, BUT MORE GOOD WILL TOWARD
THE UNITED STATES

REF: A. BRIDGETOWN 189

[1B.](#) BRIDGETOWN 847

[1C.](#) BRIDGETOWN 641

Classified By: Ambassador Mary M. Ourisman for reasons 1.4(b) and (d).

[11.](#) (C) Summary: The 28th CARICOM Heads of Government Conference took place in Barbados on July 1-4, 2007. Unsurprisingly, the Caribbean leaders agreed on a number of measures that should ensure some forward momentum in the region's integration efforts in the economic, security, and social development areas. The leaders also agreed to study the idea of creating a supranational, European Commission-style body, that would be empowered by CARICOM members to address what is commonly called the CARICOM's "implementation deficit." These potentially positive developments were nearly overshadowed by several disagreements which demonstrated that the region does not yet speak with one voice, especially when it comes to sensitive matters such as immigration and air transportation. One theme that resonated throughout the CARICOM Conference and which we heard from a number of participants was the region's renewed enthusiasm about the U.S.-Caribbean partnership. The key factors behind this enthusiasm were the Washington Conference on the Caribbean in June and the visit of Congressman Charles Rangel, who participated in portions of the CARICOM Conference. The United States should seize this opportunity through continued engagement on the various priorities discussed in Washington. End Summary.

"Functional Cooperation"

[12.](#) (C) The CARICOM heads of government assembled in Barbados for their 28th Conference on July 1-4. With the overarching theme, "Functional Cooperation: A Community for All," the Conference aimed not only to advance the region's integration efforts, but also to make the gains of integration more immediate and relevant to the region's citizens. All but four CARICOM leaders participated in the opening ceremonies on July 1. While the leaders of Belize and Suriname arrived later, the absence of Jamaica's PM Simpson-Miller and Bahama's PM Ingraham was interpreted by local observers as a sign that CARICOM will continue to struggle due to a lack of unity in purpose and commitment. Barbados' PM Owen Arthur,

the current CARICOM chairman, had shared his own concerns over CARICOM's future when he met with Ambassador Ourisman earlier this year (ref A). He feared especially that Jamaica, traditionally one of CARICOM's leading members, appeared to be increasingly disengaged from CARICOM's activities.

¶3. (C) CARICOM's focus on "functional cooperation" represents a recognition on the part of the leaders that most of the region's people remain decidedly unenthusiastic about the integration process, which for many has yielded few if any concrete benefits. Even in countries with relatively strong economies, like Barbados, fears about the free movement of labor and open competition are frequently voiced. PM Arthur, who is CARICOM'S leader on the CARICOM Single Market and Economy (CSME), has also been less than true to the ideal of a single regional economy. He recently sounded alarm bells about an ongoing battle between two competing Trinidadian companies seeking to take over one of Barbados' largest conglomerates, Barbados Shipping and Trading. PM Arthur picked up on this concern in his opening speech at the Conference, noting that only few countries, i.e. Trinidad and Tobago, appeared to be benefiting from CSME, and he called this situation untenable. These and other undercurrents of discord within the region made the Conference and CARICOM itself appear more dysfunctional than functional when it came to cooperation.

CARICOM Single Market Economy: Actions vs. Words

¶4. (C) All participating CARICOM leaders praised the region's progress in economic integration, and at the conclusion of the Conference they endorsed a report "Towards a Single Development Vision and the Role of the Single

Economy" which lays out the key elements of CSME and a time frame for their achievement. The leaders thus agreed to a new target date of 2015 for a fully operational CSME. In a press conference following the Conference, PM Arthur admitted that the leaders' agreement fell far short of earlier ambitions to have much of CSME in place by 2008. Note: The 2015 goal is only the latest in a long series of moving targets for CARICOM and CSME, and it would not be surprising if it proved not to be the last. End Note.

¶5. (SBU) The leaders also reiterated their commitment to the free movement of CARICOM nationals and a requested a study of the existing conditions for the movement of skilled persons. The results of the study would guide CARICOM's future work in this area, especially in harmonizing implementation across the region. Despite the requested study, Dominica's PM Roosevelt Skerritt appeared to have already reached his own conclusions, when he complained that CARICOM's previous agreements on free movement of labor, namely those concerning professionals, athletes, and artists, were still far from being fully implemented, as some CARICOM member countries continued to require immigrant workers in these categories to obtain work permits before they can start working. Meanwhile, Guyana's President Bharrat Jagdeo publicly accused some in the region, especially the media, of fostering stereotypes and xenophobia against Guyanese citizens, who as a result, were being groundlessly turned away by border authorities of other CARICOM nations. Antigua and Barbuda also signaled potential future problems in fully implementing the free movement of labor commitments, when it registered a reservation with regard to the proposal that all CARICOM nationals be allowed an automatic six-month stay on arrival in another CARICOM country. Note: Antigua recently attracted a firestorm of protests across the region after it deported two journalists who were working in the country without work permits (ref B). End Note.

LIAT Cooperation?

¶6. (SBU) CARICOM leaders were barely able to paper over

their differences on LIAT, the regional air carrier which is in the process of restructuring and merging with another regional carrier, Caribbean Star. LIAT's three shareholder governments (Antigua and Barbuda, Barbados, and St. Vincent and the Grenadines) have chafed for years at the idea that their subsidies were keeping LIAT in the air to the benefit of the entire Eastern Caribbean, while the other countries have been enjoying a free ride. St. Lucia's recent decision to grant American Eagle fifth freedom rights to operate flights between St. Lucia and Barbados and between St. Lucia and Trinidad appeared to be the proverbial last straw in this brewing dispute. At the CARICOM Conference, St. Vincent and the Grenadines PM Ralph Gonsalves denounced St. Lucia's plan, which he believes could seriously undermine LIAT's already shaky financial situation. However, St. Lucia was not alone in exhibiting less than full commitment to LIAT. Grenada and Dominica, for example, have repeatedly complained that recent LIAT airfare increases were hurting their economies and citizens. Similarly, Trinidad's PM Manning cast doubt on his country's willingness to support LIAT's restructuring, and stated that he would have to take up the matter with his cabinet. In the end, the leaders could only muster an agreement "in principle that those countries that are being served by LIAT should provide material support for its restructuring."

Security Cooperation More Promising

¶7. (SBU) CARICOM's security cooperation in preparation for the March-April 2007 Cricket World Cup (CWC) may become the most important legacy of the entire tournament (ref C). During the CARICOM Conference, Trinidad's PM Manning, who has the lead within CARICOM on security matters, called on his counterparts to build on the CWC-related security arrangements to advance security cooperation in the region. In their final communique, CARICOM leaders endorsed the creation of a Virtual Single Domestic Space, which would be regulated through a secure CARICOM Travel Card containing facial and fingerprint biometrics. As envisioned, the Travel Card would permit CARICOM nationals and third country legal residents in CARICOM member states expedited passage through airports in participating countries without being subject to

passport examination. Barbados' Ambassador to CARICOM, John Williams, told PolOff that these advances in the area of security presented a good opportunity for further U.S.-CARICOM cooperation to enhance the region's security.

¶8. (SBU) The leaders also discussed a Maritime and Airspace Agreement and a CARICOM Arrest Warrant Treaty, both of which they plan to finalize by September 2007. The maritime agreement would strengthen the region's maritime surveillance and the arrest warrant would allow for the surrender of suspects across borders. Even in the area of security cooperation, however, there was some disagreement. In a press conference on July 4, PM Manning discussed Trinidad's upgrades to its interdiction capabilities, including a recent patrol vessel purchase, and suggested that this added capacity would allow Trinidad, in cooperation with Barbados, to "extend those capabilities to the Eastern Caribbean." According to Barbados' Daily Nation, St. Vincent's PM Gonsalves dismissed this idea and accused Manning of "misguided chauvinistic demagoguery." Note: The Embassy's Military Liaison Office learned SOUTHCOM sources that Trinidad and Barbados recently reached an informal agreement on enhanced bilateral security cooperation and on plans to expand their maritime patrols to the wider Eastern Caribbean. End Note.

CARICOM Governance and Regional Development

¶9. (SBU) Media reports surrounding the CARICOM Conference inevitably focused on the implementation or action deficit existing in the region. The leaders themselves acknowledged the problem, but their communique did little to inspire faith

that this problem would be addressed soon. They agreed to study the idea of establishing a CARICOM Commission, which would be charged with "facilitating the implementation of the decisions adopted by the Community." To many observers, this step seemed insufficient to raise the level of compliance in CARICOM, whose members appear to be moving in differing speeds and motivated increasingly by individual self-interest, rather than regional cooperation. Even in their one effort to address some of the regional development disparities, the CARICOM Development Fund (CDF), the leaders made little progress amid reported disagreements over the administration of the CDF.

Partnership with the United States

¶10. (C) One striking feature of the CARICOM Conference was the leaders' sustained focus on the region's relationship with the United States. This was a welcome change to the Caribbean's seeming infatuation in recent years with Venezuela and China, due in large part to the two countries' substantial assistance strategically targeted throughout the region. Venezuela and China appeared to be momentarily forgotten, as all CARICOM leaders at the Conference concentrated in their remarks on the new energy that had been breathed into the Caribbean-U.S. partnership by the Washington Conference on the Caribbean in June. Many also urged CARICOM to seize this opportunity and ensure that the gains made in June would not go to waste due to a lack of follow through.

¶11. (SBU) The visit of Congressman Charles Rangel, who was invited to the Conference as CARICOM's special guest, also helped orient the leaders' discussions in a more productive direction. Rangel, who is considered by Caribbean leaders as a long-time friend of the region, told Ambassador Ourisman in a separate conversation that the region is desperate to "reactivate" the historically strong ties with the United States. CARICOM leaders have been buoyed by the Washington Conference, which in their view has opened a new window of opportunity for the region and the United States. According to Rangel, he urged the Caribbean leaders to seize this opportunity and become solid, reliable partners to the United States. At the same, Rangel thought the United States should meet the region half-way by fostering a spirit of partnership and implementing the commitments made during the Washington Conference.

A Meeting of the Heads, If Not the Minds

¶12. (C) Comment: It now falls to Barbadian PM Arthur, who took over as chair of CARICOM in July, to push forward the limited agreements reached at the CARICOM Conference and lay the groundwork for further progress. The region's integration efforts have made little headway at recent Heads of Government Conferences and intercessional meetings, and this one appeared to be no exception. The reasons for this include bureaucratic inertia and a lack of capacity, but also an unwillingness to sacrifice an individual country's short-term interests for the collective good. As the CWC demonstrated, however, the region can put aside its differences, focus its resources, and achieve collectively significant advances, as it did in the area of security.

¶13. (C) PM Arthur may be CARICOM's best hope at this juncture to keep the region's integration momentum from petering out completely. He appears genuinely committed to advancing regional integration, especially in the economic sphere. However, even he will be constrained by domestic politics in the coming year, as he prepares for parliamentary elections, now expected in December 2006 or January 2007. Already, his statements on the issue of Trinidadian companies moving into the Barbadian market show that this committed regionalist may be forced to hedge by an electorate worried about their economic prospects in a region of open borders and markets. Absent some new CWC-like catalyzing event,

CARICOM will probably continue to inch toward integration, as it has since its founding in 1973.

¶14. (C) Nevertheless, CARICOM leaders at the Conference demonstrated that they are looking to reengage with the United States and build on the momentum generated at the Conference on the Caribbean. After his discussions with CARICOM leaders, Congress Rangel was impressed by the enthusiasm he sensed among them. He urged the Embassy and the Department to work with the region on formulating our shared priorities and implementing the commitments announced in June. Rangel was confident that with patience, respect, and attention on both sides, the United State and the region can revive their partnership.

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